

BEFORE THE

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Federal Communications Commission

WASHINGTON, D.C. 20554

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In the Matter of

Amendment of Section 2.106 of the Commission's
Rules to Allocate Spectrum at 2 GHz for Use by
the Mobile Satellite Service

ET Docket No. 95-18
RM-7927
PP-28

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JUN 19 1997

Federal Communications Commission
Office of Secretary

COMMENTS OF TRW INC.

TRW Inc. ("TRW"), by its attorneys and pursuant to Section 1.429 of the Commission's Rules, hereby comments upon and opposes in part the Petition for Partial Reconsideration of the MSS Coalition ("MSS Coalition") in the above-captioned proceeding.^{1/} For the reasons stated below, TRW rejects the MSS Coalition's non-consensus assertion that MSS providers at 2 GHz would be treated in an "unfairly discriminatory and anticompetitive" manner by virtue of the fact that the U.S.-licensed global mobile-satellite service ("MSS") systems at 1.6/2.4 GHz have already received licenses and gained access to the U.S. market without having to pay to relocate any incumbent terrestrial licensees. *See* MSS Coalition Petition at 31.^{2/}

Whatever merit the MSS Coalition's arguments as to the relocation components of the Commission's First Report and Order may have, the fact remains that the MSS Coalition has overstated both the connection between the established 1.6/2.4 GHz MSS and the new MSS that will be established at 2 GHz, and the consequences of the incurrence of relocation costs on

^{1/} Amendment of Section 2.106 of the Commission's Rules to Allocate Spectrum at 2 GHz for Use by the Mobile-Satellite Service, FCC 97-93 (released March 14, 1997) ("First Report and Order").

^{2/} TRW is the licensee of Odyssey™, an MSS system that will operate in the 1.6/2.4 GHz bands.

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competition between the two MSS services.^{3/} The U.S. licensees of MSS systems at 1.6/2.4 GHz are in a dramatically different position than the one now occupied by the applicants and potential applicants at 2 GHz. When the initial applications were filed by TRW and others more than six years ago, there were no MSS allocations at 1.6 and 2.4 GHz; the Commission did not permit voice services to be offered over the radiodetermination satellite service allocation in the bands; neither nongeostationary nor private global satellite systems had gained favor with the world's investment communities; and the extent of demand for global MSS services had yet to be reliably gauged. Through years of extraordinary effort on both the domestic and international fronts, the 1.6/2.4 GHz MSS operators have been pursuing the regulatory changes necessary to permit their novel systems to be implemented; indeed, the final spectrum pieces will hopefully fall into place at the 1997 World Radiocommunication Conference — the third such conference to implement spectrum actions required for the 1.6/2.4 GHz MSS service.

None of the steps along the way have been easy for any of the systems, but the regulatory paths they have blazed and the investment community interest they have sparked have made it possible for conceptually similar projects to be undertaken in the 2 GHz band in a fraction of the development time. Even though the 1.6/2.4 GHz MSS licensees may not have to bear all of the same burdensome costs that are facing the 2 GHz systems under the plan embraced by the Commission in the First Report and Order, it is unreasonable for the MSS Coalition to insinuate that the earlier systems reaped a windfall by not having to deal with relocation. Also, it must be

^{3/} TRW notes in this regard that one member of the coalition parted company with the others on the subject of this argument. See MSS Coalition Petition at 31 n.77 ("PCSAT does not subscribe to the position set forth in this section"). The MSS Coalition provides no further explanation of this divergence of views.

recalled that in the case of the 1.6/2.4 GHz MSS, there were no incompatible existing licensees that required relocation; thus, the absence of the need for 1.6/2.4 GHz licensees to bear the burden of “relocation” is irrelevant in this context.^{4/}

TRW also disagrees with the suggestion that all of the MSS systems at 1.6/2.4 GHz will necessarily be competitive with the systems that will emerge at 2 GHz. Some 2 GHz systems will, in all likelihood, be configured similarly to systems being implemented at 1.6/2.4 GHz, and will be complementary to those systems. Others, however, may be entirely different, and be designed to operate on a regional or national, rather than a global, basis. The Commission has decided to defer consideration of technical issues — such as whether geostationary or nongeostationary architectures should be mandated for the bands — until after applications have been submitted. *See First Report and Order*, FCC 97-93, slip op. at 22. For now, at least, the MSS Coalition’s claim that there is a direct connection between what happens at 1.6/2.4 GHz and what happens at 2 GHz is premature.

The inability to know at this time what types of system solutions will emerge for the 2 GHz MSS service also undercuts the MSS Coalition’s assertion that the inevitable consequence of relocation will be the competitive undoing of the 2 GHz MSS service vis-à-vis the 1.6/2.4 GHz MSS service. There is no question that the payment of relocation costs will be a burden on 2 GHz MSS operators, and TRW believes that the MSS Coalition has raised some

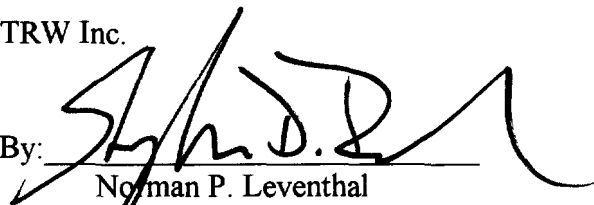
^{4/} The MSS Coalition contends, however, that there is a potential for relocation costs to be borne by 1.6/2.4 GHz licensees outside the United States. MSS Coalition Petition at 34 n.84. Even if such costs are different in character, there is no question that some or all of the MSS systems at 1.6/2.4 GHz will face some “penalties” — either operationally or monetarily — as a result of the requirements associated with sharing of the spectrum with other services.

valid questions with respect to the relocation aspects of the Commission's First Report and Order. The reality, however, is that the two services are not inextricably linked, and that relocation cost obligations will be a factor in determining the design of the systems that are implemented at 2 GHz. If costs prevent a design similar to the ones at 1.6/2.4 from being economically practicable, then a different design will have to emerge.

In short, the MSS Coalition takes its arguments down the wrong path when it attempts to compare the situation posed by the prospect of relocation at 2 GHz to the very different situation — both from an historical and a competitive standpoint — that exists in the 1.6/2.4 GHz MSS. The impact of the Commission's First Report and Order and its associated further notice of proposed rule making on entry into the new MSS at 2 GHz must be evaluated on their own merits, and without reference to inappropriate and inaccurate comparisons to the development courses of other MSS services in other frequency bands.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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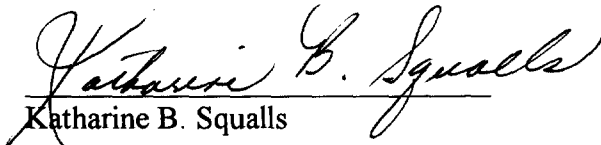
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